



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
09/05/19
10:01 AM

Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Rulemaking 12-06-013

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING
FOR PHASE 5 OF THE PROCEEDING**

This scoping memo and ruling sets forth the category, issues to be addressed, and schedule of the proceeding pursuant to Public Utilities (Pub. Util.) Code § 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure. This scoping memo and ruling supersedes all previously filed scoping memos and rulings in this proceeding.

1. Procedural Background

The Commission instituted this rulemaking on June 21, 2012 to examine current residential electric rate design, including the tier structure in effect for residential customers, the state of time variant and dynamic pricing, potential pathways from tiers to time variant and dynamic pricing, and preferable residential rate design to be implemented when statutory restrictions are lifted.

In July 2015, the Commission issued Decision (D.) 15-07-001, which adopted several significant residential rate reform measures and set forth steps to transition California's default residential rate structure from tiered, non-time-varying rates to time-of-use (TOU) rates starting in 2019. The Commission stressed the importance of educating customers on the rate reforms ordered by

the decision and directed that the development of a long-term marketing, education, and outreach (ME&O) program be addressed during Phase 3 of this proceeding. To assist in this effort, the Commission ordered the formation of an ME&O Working Group to examine ME&O strategies for residential rate changes and how they interact with other residential programs.

Subsequently in this proceeding, D.17-12-023 authorized a budget of up to \$31.7 million for agency fees (referred to as “Strategy and Content Development Work” in that decision) for the Statewide Residential Rate Reform ME&O campaign to support a transition of residential customers to TOU rates. The budget approved in D.17-12-023 was based on the assumption that the residential default TOU transition for all utilities would begin in 2019. However, in D.19-07-004 the Commission delayed the transition of Pacific Gas and Electric Company’s (PG&E) and Southern California Edison Company’s (SCE) residential customers to TOU until October 2020.

On May 3, 2018 PG&E executed an amendment to an existing statewide ME&O contract with DDB San Francisco, a division of DDB Worldwide Communications Group, Inc. (DDB) to provide the Strategy and Content Development Work authorized in D.17-12-023. DDB’s contract with PG&E was structured to end in September 2019. In D.19-01-005, the Commission authorized an extension of the contract through 2021.

2. Issues

Given that the transition of PG&E’s and SCE’s residential customers to TOU is now delayed until late 2020 and throughout 2021, modifications to the timing and scope of the Strategy and Content Development Work and associated budget may be necessary in order for the statewide ME&O campaign to support the primary transition to default TOU rates as originally intended. D.17-12-023

did not address budget revisions or changes to the scope of work. Therefore, a fifth phase of this proceeding is established to address the following issues:

1. Should the timeline for DDB to provide Strategy and Content Development Work in support of the transition of residential customers to TOU rates be extended due to the delay in transitioning most residential customers to TOU? If so, for how long?
2. If the timeline for Strategy and Content Development Work is extended, should there be any additional expenditure authorized for Strategy and Content Development Work?
3. What new work or other modifications for the Strategy and Content Development Work, if any, are required to support the transition of residential customers to TOU rates beyond the work already completed by DDB under its contract with PG&E?

This scoping memo and ruling attaches a draft funding reconciliation proposal as Appendix A for the extension of Strategy and Content Development work from DDB for resolution of these issues. Parties are requested to evaluate and comment on the DDB proposal in order to generate a record for a Commission decision on this matter.

3. Need for Evidentiary Hearing

There are no issues of material disputed fact. Accordingly, evidentiary hearing is not needed.

4. Schedule

The following schedule is adopted here and may be modified by the administrative law judge as required to promote the efficient and fair resolution of the rulemaking:

Opening party comments on DDB proposal	September 20, 2019
Reply party comments [matter submitted]	October 4, 2019
Proposed decision	November 2019
Commission decision	December 2019

The proceeding will stand submitted upon the filing of reply party comments, unless the administrative law judge requires further evidence or argument.

5. Category of Proceeding/Ex Parte Restrictions

This ruling confirms the existing determination that this is a ratesetting proceeding. Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure (Rules).

6. Oral Argument

Unless comment is waived pursuant to Rule 14.6(c)(2) for granting the uncontested relief requested, motion for oral argument shall be by no later than the time for filing comment on the proposed decision.

7. Intervenor Compensation

In accordance with Pub. Util. Code § 1804 (a)(1), which states: "In cases ... where new issues emerge subsequent to the time set for filing, the commission may determine an appropriate procedure for accepting new ... notices of intent," this Ruling allows any parties wishing to do so to file a new Notice of Intent to Claim Intervenor Compensation no later than September 6, 2019. New Notices of Intent so filed must comply with Pub. Util. Code §§ 1801-1812 and Rule 17.1 of the Commission's Rules of Practice and Procedure.

8. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the administrative law judge (ALJ).

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must NOT send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

10. Assignment of Proceeding

Marybel Batjer is the assigned commissioner and Patrick Doherty and Sophia Park are the assigned ALJs for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above.
2. The schedule of this proceeding is as set forth above.
3. Evidentiary hearings are not needed.
4. The category of the proceeding is ratesetting.

Dated September 5, 2019 at San Francisco, California.

/s/ MARYBEL BATJER
Marybel Batjer
Assigned Commissioner